

# Shipping Payroll Service Product Terms and Conditions

**A. SCOPE OF SERVICES** - RCBC shall provide the following Service to the CLIENT:

**PAYROLL SERVICE** – RCBC's automated system that can facilitate the CLIENT's payroll disbursement by transferring amounts to Seafarer's/Beneficiary's Accounts in the manner indicated in the Payroll Transaction File.

## B. DEFINITION

- 1. Payroll Transaction File** – an electronic file containing the payroll disbursement information such as, but not limited to, the Seafarer's/Beneficiary's Account numbers and amounts to be disbursed, accomplished by CLIENT in the form prescribed by RCBC, and uploaded by CLIENT in the System to initiate a payroll disbursement transaction.
- 2. Seafarer's/Beneficiary's Account** – a deposit account in the name of each of CLIENT's seafarer/beneficiaries maintained in RCBC ("**RCBC Account**") or another bank or financial institution ("**Non-RCBC Account**"), and enrolled by CLIENT in the Service for the purpose of receiving such seafarer's/beneficiary's salaries/allotments.
- 3. System** – RCBC's Program where payroll credit files are transacted to effect crediting to Seafarer's/Beneficiary's Accounts

## C. AVAILMENT OF THE SERVICES

- 1.** RCBC shall perform the Payroll Service for CLIENT under the Shipping Payroll Service Product Terms and Conditions (PTC) and the CCM Master Terms and Conditions (MTC).
- 2.** This PTC shall take effect upon execution of the CMS Enrollment Form (CEF) and shall remain in force and in effect until terminated by either party pursuant to Section F (Term and Termination) of the CCM Master Terms and Conditions (MTC).
- 3.** For availment of the Payroll Service, the CLIENT shall open and maintain an RCBC CASA account ("**Account/s**") indicated in the CEF, where the funds for CLIENT's disbursements under the Payroll Service and the pertinent fees and charges will be debited by RCBC.
- 4.** The CLIENT shall ensure that each of its seafarers/beneficiaries shall have a designated Seafarer's/Beneficiary's Accounts. If a seafarer/beneficiary does not have a Seafarer's/Beneficiary's Account, CLIENT may cause such seafarer/beneficiary to open an account with RCBC. It is understood that all payroll disbursements under this Service may only be effected to the designated Seafarer's/Beneficiary's Account/s.
- 5.** The CLIENT hereby agrees that:
  - a)** Seafarer's/Beneficiary's Accounts are owned by the seafarer/beneficiary who opened such account;
  - b)** the opening, maintenance, and use of Seafarer's/Beneficiary's Accounts are subject to the terms and conditions applicable to such account as well as other relevant policies and procedures of the relevant bank or financial institution where such account is maintained ("**Bank Policy**"); and
  - c)** RCBC will be unable to perform the Service for a Seafarer's/Beneficiary's Account that has become closed, suspended, put on hold, frozen, or otherwise restricted from receiving funds, in which case CLIENT undertakes to pursue alternative arrangements for disbursing the salaries/allotments of the concerned seafarer/beneficiary.

## D. PROCEDURES

- 1.** Preparation, Generation and Uploading of Payroll Transaction Files

- a)** RCBC shall grant access to the System to CLIENT's Authorized Personnel that shall:
  - i.** Prepare and upload Payroll Transaction Files (the "**Maker**"); and
  - ii.** Approve payroll disbursements in accordance with such Payroll Transaction Files (the "**Approver**").

The CLIENT shall ensure that the Maker and the Approver are not the same persons.

- b)** On each of the CLIENT's payroll disbursement date, the CLIENT's Maker shall prepare, generate, and upload a duly-accomplished Payroll Transaction File to the System. CLIENT shall have full discretion in determining its payroll disbursement dates.
- c)** The CLIENT shall ensure the accuracy of all account numbers and information indicated in the Payroll Transaction File and/or supplied or transmitted by CLIENT to the System ("**Client-Supplied Information**"). The CLIENT acknowledges that the System will rely on Client Supplied Information in performing the Payroll Service. RCBC shall not be obliged to authenticate, verify, or correct any Client-Supplied Information before performing the Payroll Service.
- d)** The CLIENT shall ensure that the computer terminals on which the System shall be utilized meet the minimum hardware and software requirements defined by RCBC.

## 2. Disbursement of Payroll Funds

- a)** Upon approval of a Payroll Transaction File by CLIENT's Approver, the System shall cause amounts indicated in the Payroll Transaction File, less the service fees due to RCBC indicated in the CEF, to be (a) electronically transferred to each Seafarer's/Beneficiary's Account indicated by CLIENT in such Payroll Transaction File ("**Disbursement Amount**"), and (b) charge the total Disbursement Amounts (inclusive of the fees in the CEF) under each approved Payroll Transaction File to the Funding Account, without need of any further consent from the CLIENT.
- b)** The CLIENT hereby agrees that RCBC shall have the right to suspend or otherwise refuse disbursements under any Payroll Transaction File and/or the implementation of the Payroll Service under any of, but not limited to, the following instances:
  - Encryption and/or file authenticity failure;
  - Incomplete, conflicting and/or incorrect Client-Supplied Information;
  - Insufficiency of funds in Funding Account to cover the total Disbursement Amount and/or the service fees due to RCBC under the CEF;
  - In case of actual or threatened violation of the MTC, this PTC, or any applicable law, rule, or regulation;
  - Where RCBC reasonably doubts the authenticity of any uploaded Payroll Transaction File, without prejudice to Section D.1.c; or
  - Any instances analogous to the foregoing.
- c)** In cases where a Payroll Transaction File contains discrepancies between the Seafarer's/Beneficiary's Account number and the account/seafarer/beneficiary name, the CLIENT understands that the System is configured to transfer the Disbursement Amount to the account number indicated by CLIENT, regardless of the discrepancy in the account/seafarer/beneficiary name. Ultimately, RCBC shall not be liable for any mispostings, erroneous crediting, or any similar instances, as well as any damages or injuries, caused by the incorrect information provided by the CLIENT or any of its Authorized Representative/s.

d) In cases where Client-Supplied Information results in the following instances:

- over-credits or erroneous credits to a Seafarer's/Beneficiary's Account;
- crediting to a deposit account that CLIENT failed to enroll from the Payroll Service (such as Seafarer's/Beneficiary's Accounts of a resigned/terminated/retired seafarer/beneficiary); or
- similar cases (collectively, "**Erroneous Credits**"),

the CLIENT shall promptly inform the seafarers/beneficiaries concerned. RCBC shall exert reasonable efforts to provide such assistance as CLIENT may request in relation to any Erroneous Credit, but in no case shall RCBC be obliged to (a) refund any Erroneous Credits to a non-RCBC Account, the recovery of which shall be subject to the relevant Bank Policy; (b) debit amounts from a RCBC Account without the concerned seafarer/beneficiary's written consent; or (c) do any act which would put RCBC at risk of violating any applicable law, rule, or regulation.

e) The CLIENT affirms that Disbursement Amounts and all matters related to the employment of, or salaries/allotments due to, any seafarer/beneficiary ("Employment Matters") are subject to a private contract between CLIENT and such seafarer/beneficiary. Accordingly, CLIENT shall respond to and address any complaint, inquiry, or question from seafarer/beneficiary about such Employment Matters. If, notwithstanding this Section, RCBC receives any inquiry on Employment Matters, RCBC shall have the right, but not the duty, to refer such inquiry to the CLIENT.

### **C. CONSIDERATION**

The CLIENT agrees to comply with the commercial and payment terms stated in the CEF or its equivalent Enrollment/Maintenance Form.

The CLIENT authorizes RCBC to deduct the fees from the Disbursement Amount as its service fees, as indicated in the CEF.